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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-928]

Uncovered Innerspring Units from the People's Republic of China: Preliminary Results of the Antidumping Duty Administrative Review; 2017-2018

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that, for the two companies subject to this review, Foshan Nanhai Jolyspring (Foshan Nanhai) is a part of the China-wide entity and Comfort Coil Technology Sdn. Bhd. (Comfort Coil) had no shipments during the period of review (POR), February 1, 2017, through January 31, 2018. Interested parties are invited to comment on these preliminary results.

FOR FURTHER INFORMATION CONTACT: Christian Llinas, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: 202.482.4877.

SUPPLEMENTARY INFORMATION:

Background

On April 16, 2018, Commerce published in the *Federal Register* a notice of initiation of an administrative review of the antidumping duty order on uncovered innerspring units from the People's Republic of China.¹ Commerce initiated a review with respect to two companies: Comfort Coil Technology Sdn. Bhd. (Comfort Coil) and Foshan Nanhai Jolyspring (Foshan

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 83 FR 16298 (April 16, 2018) (*Initiation Notice*); see also *Uncovered Innerspring Units from the People's Republic of China: Notice of Antidumping Duty Order*, 74 FR 7661 (February 19, 2009).

Nanhai).² On May 11, 2018, Commerce issued its questionnaire to Comfort Coil and Foshan Nanhai.³ The questionnaire for Comfort Coil was undeliverable,⁴ and based on an alternate address provided by the petitioner,⁵ on July 5, 2018, we resent the questionnaire to Comfort Coil.⁶ We confirmed delivery of the questionnaires to both respondents.⁷

On July 11, 2018, Comfort Coil stated it had “no sales, exports, or entries of subject merchandise during the period of review.”⁸ On July 30, 2018, Commerce issued a no shipment inquiry to U.S. Customs and Border Protection (CBP) with respect to Comfort Coil, and CBP reported no entries for the company during the POR.⁹ Foshan Nanhai never responded to the questionnaire, nor did it contact Commerce to state that it was unable to respond or to request an extension of time to do so.

Scope of the Order

The merchandise subject to the order is uncovered innerspring units composed of a series of individual metal springs joined together in sizes corresponding to the sizes of adult mattresses (e.g., twin, twin long, full, full long, queen, California king, and king) and units used in smaller constructions, such as crib and youth mattresses. The product is currently classified under subheading 9404.29.9010 and has also been classified under subheadings 9404.10.0000,

² See *Initiation Notice*.

³ See Commerce’s Letters to Comfort Coil and Foshan Nanhai, dated May 11, 2017.

⁴ See Memorandum to the File, “Ninth Antidumping Duty Administrative Review of Uncovered Innerspring Units from the People’s Republic of China: Initial AD Questionnaire,” dated June 1, 2018.

⁵ See the petitioner’s Letter to Commerce, “Ninth Antidumping Duty Administrative Review of Uncovered Innerspring Units from the People’s Republic of China: Alternative Address for Initial AD Questionnaire” (June 4, 2018).

⁶ See Letter from Commerce, “Ninth Administrative Review of Uncovered Innerspring Units from the People’s Republic of China: Initial AD Questionnaire” (July 5, 2018).

⁷ See Memorandum to the File, “Ninth Antidumping Duty Administrative Review of Uncovered Innerspring Units from the People’s Republic of China: Initial AD Questionnaire,” dated June 1, 2018; Memorandum to the File, “Ninth Antidumping Duty Administrative Review of Uncovered Innerspring Units from the People’s Republic of China: FedEx Delivery Receipt,” (October 22, 2018).

⁸ See Letter to Commerce, “Uncovered Innerspring Units from the People’s Republic of China - No Sales Certification” (July 11, 2018).

⁹ See Commerce’s Memorandum, “No shipment inquiry” (August 1, 2018).

9404.29.9005, 9404.29.9011, 7326.20.0070, 7326.20.0090, 7320.20.5010, 7320.90.5010, or 7326.20.0071 of the Harmonized Tariff Schedule of the United States (HTSUS). The HTSUS subheadings are provided for convenience and customs purposes only; the written description of the scope of the order is dispositive.¹⁰

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(B) of the Tariff Act of 1930, as amended (the Act). For a full description of the methodology underlying our conclusions, please see the Preliminary Decision Memo. The Preliminary Decision Memo is a public document and is on file electronically *via* Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov> and is available to all parties in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Preliminary Decision Memo can be accessed directly on the internet at <http://enforcement.trade.gov/frn/>. The signed Preliminary Decision Memo and the electronic version are identical in content.

Preliminary Determination of No Shipments

On July 11, 2018, Comfort Coil filed a no shipment certification, indicating that it did not export subject merchandise to the United States during the POR. During the course of this review, Commerce examined this no shipments claim and provides its analysis in the Preliminary Decision Memo. Based on the record evidence, we preliminarily determine that Comfort Coil had no shipments during the POR. In addition, consistent with our practice in non-market

¹⁰ For a full description of the scope of the order, see the Department Memorandum, "Decision Memorandum for Preliminary Results of 2017-2018 Antidumping Duty Administrative Review: Uncovered Innerspring Units from the People's Republic of China," dated concurrently with and hereby adopted by this notice (Preliminary Decision Memo).

economy cases, Commerce is not rescinding this review for Comfort Coil, but intends to complete the review with respect to Comfort Coil and issue appropriate instructions to CBP based on the final results of the review.¹¹ Should evidence contrary to Comfort Coil's no-shipments claims arise, we will address the issue in the final results.

Preliminary Results of Review

Because Foshan Nanhai did not respond to the questionnaire, Commerce preliminarily determines that Foshan Nanhai is not eligible for a separate rate and is a part of the China-wide entity. We are not conducting a review of the China-wide entity. Thus, the weighted-average dumping margin for the China-wide entity (234.51 percent)¹² is not subject to change as a result of this review. Accordingly, the pre-existing China-wide rate of 234.51 percent will apply to entries of Foshan Nanhai's subject merchandise into the United States during the POR.

*Public Comment*¹³

Pursuant to 19 CFR 351.309(c)(1)(ii), interested parties may submit case briefs not later than 30 days after the date of publication of this notice in the *Federal Register*. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.¹⁴ Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹⁵ Case and rebuttal briefs should be filed using

¹¹ See Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties, 76 FR 65694, 65694-65695 (October 24, 2011) (*Reseller Policy*).

¹² See *Uncovered Innerspring Units from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2012-2013*, 79 FR 56338, (September 19, 2014).

¹³ Normally, Commerce discloses to interested parties the calculations performed in connection with the preliminary results of review within five days of the date of publication of the notice of preliminary results in the *Federal Register*, in accordance with 19 CFR 351.224(b). However, in this review there are no calculations to disclose.

¹⁴ See 19 CFR 351.309(d).

¹⁵ See 19 CFR 351.309(c)(2) and (d)(2).

ACCESS.¹⁶ An electronically filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Standard Time on the due dates set forth in this notice.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance within 30 days of the date of publication of this notice. Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of issues parties intend to discuss. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs. If a request for a hearing is made, Commerce intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a date and time to be determined.¹⁷ Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Unless extended, Commerce intends to issue the final results of this administrative review, which will include the results of our analysis of all issues raised in the case and rebuttal briefs, within 120 days of publication of these preliminary results in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act.

Assessment Rates

Upon issuance of the final results, Commerce will determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review.¹⁸ Commerce intends to issue assessment instructions to CBP 15 days after the publication date of the final results of this review. We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review if any assessment rate calculated in the final results of this review is above *de minimis*. The final results of this review shall be the basis for the assessment of antidumping

¹⁶ See 19 CFR 351.303.

¹⁷ See 19 CFR 351.310(d).

¹⁸ See 19 CFR 351.212(b)(1).

duties on entries of merchandise covered by the final results of this review and for future deposits of estimated duties, where applicable. Assessment of duties resulting from the final results of this review will pertain only to entries of subject merchandise (*i.e.*, innerspring units from China).

If we continue to find that Comfort Coil had no shipments during the period of review in the final results, Commerce will direct CBP to liquidate and assess antidumping duties on all entries made during the period of review claiming Comfort Coil as the exporter or producer in accordance with the *Reseller Policy*, *i.e.*, at the rate for the China-wide entity.¹⁹

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for shipments of the subject merchandise from China entered, or withdrawn from warehouse, for consumption on or after the publication date of this notice, as provided by section 751(a)(2)(C) of the Act: (1) for previously investigated or reviewed Chinese and non-Chinese exporters of subject merchandise that received a separate rate in a prior segment of this proceeding, the cash deposit rate will continue to be the existing exporter-specific rate published for the most recently completed period; (2) for all Chinese exporters of subject merchandise that have not been found to be entitled to a separate rate, *i.e.*, Foshan Nanhai, the cash deposit rate will be the China-wide rate of 234.51 percent; and (3) for all non-Chinese exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the Chinese exporter that supplied that non-Chinese exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

¹⁹ See *Reseller Policy*.

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213.

Dated: October 29, 2018.

Gary Taverman,
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Preliminary Determination of No Shipments
- V. NME Country Status
- VI. Conclusion

[FR Doc. 2018-24013 Filed: 11/1/2018 8:45 am; Publication Date: 11/2/2018]